



Minutes of an **Extra Ordinary meeting of the Scottish Borders Health & Social Care Integration Joint Board Audit Committee** held on 21 October 2020 at 9.15am via Microsoft Teams

Present: Mrs K Hamilton, Chair NHS Borders (Chair)
Cllr J Greenwell, Elected Representative, Scottish Borders Council
Cllr T Weatherston, Elected Representative, Scottish Borders Council
Mr J Wilson, Lay Member

In Attendance: Miss I Bishop, Board Secretary
Mr R McCulloch-Graham, Chief Officer Health & Social Care
Mrs G Woolman, Audit Scotland
Mr A Haseeb, Audit Scotland
Mr P McMenamin, Finance Business Partner
Mrs J Stacey, Chief Internal Auditor
Mr C McClelland, Audit Scotland
Mr D Robertson, Chief Financial Officer

1. Apologies and Announcements

Apologies had been received from Mrs Sonya Lam, Non Executive and Mr Andrew Bone, Director of Finance NHS Borders.

The Chair welcomed Mr Paul McMenamin, Finance Business Partner, NHS Borders who deputised for Mr Andrew Bone.

The Chair welcomed Mrs Gillian Woolman, Mr Asif Haseeb and Mr Chris McClelland from Audit Scotland.

The Chair confirmed the meeting was quorate.

2. Declarations of Interest

The Chair sought any verbal declarations of interest pertaining to items on the agenda.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted there were none.

3. Minutes of Previous Meeting

The minutes of the previous meeting held on 31 August 2020 were approved.

4. Matters Arising

Mrs Gillian Woolman referred to section 4 of the minutes and provided feedback on how other partnerships were fulfilling their Section 95 requirement. She advised that she had looked at 4 other partnerships and in Aberdeenshire the CFO role was undertaken on a rotational arrangement in addition to the substantive Chief Financial Officer or Director of Finance role. She suggested it was an interesting comparative body and might be worthy of further exploration.

Mr Rob McCulloch-Graham commented that he was hopeful of a local solution being achieved by the end of November 2020.

Mr Rob McCulloch-Graham confirmed that he was on track to complete action 9 on the action tracker.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted the action tracker.

5. Annual Accounts 2019/20

Mr Paul McMenamain provided an overview of the Annual Accounts 2019/20. He confirmed that on 2 August Mr Mike Porteous, had concluded his secondment to the post of Chief Financial Officer (CFO) for the partnership. The position remained vacant with a requirement to appoint a proper Section 95 Officer. Mr David Robertson, Section 95 Officer for Scottish Borders Council had taken on the position of Interim CFO for the Integration Joint Board (IJB) in order to ensure the accounts process could be properly concluded.

He reported that the unaudited accounts were to be published by 30 June each year with audited accounts published by 30 September each year. Given the impact of the COVID-19 Pandemic across public bodies, flexibility was granted to be able to delay the production of unaudited accounts. Mr McMenamain advised that Mr Malcolm Dickson had emailed through some narrative amendments which he was content to include.

Mr McMenamain highlighted the key messages within the accounts: underspend of £3.1m against delegated budgets; large hospital budget retained by NHS Borders; set aside budget position; delegated budget underspend was in regard to ring fenced NHS funding received by the partnership; additional contributions received from both NHS Borders and Scottish Borders Council; application of reserves policy; risk associated with carry forward funding especially in regard to the Older Peoples Change Fund; potential risk of Scottish Government clawing back ring fenced funding from NHS Borders given its on-going requirement for brokerage.

Mr McMenamain reiterated that the partnership budget would remain under pressure for the current and future years.

Cllr Tom Weatherston commented that he was happy to recommend approval of the accounts and supported the amendments proposed by Mr Dickson.

Mr Jim Wilson commented that he was supportive of the accounts and highlighted the point of emerging from the pandemic.

Mr McMenamain advised that he would incorporate Mr Dickson's amendments and that he had also prepared a more sensitive sentence in regard to emerging from the pandemic.

Mrs Jill Stacey highlighted the changes that had been made to the annual governance statement since it had been presented to the committee on 31 August.

Mr David Robertson commented that it had been a unique year for the IJB. There had been a significant set of challenges in pulling together the annual accounts for 2019/20 and he thanked the Auditors for the way they had conducted the audit process and recognised the contribution of Mr McMenamain to the whole process. He reiterated one of the strengths of the partnership in terms of underwriting abilities which provided the IJB with a certain amount of stability of its financial position and he welcomed the reserves policy application in terms of the underlying financial position.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted the 2019/20 Annual Accounts (audited).

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** recommended approval of the report and the 2019/20 Annual Accounts.

6. Audit Scotland's Audit Report and Management Letter

Mrs Gillian Woolman presented the Audit Scotland report and management letter. She advised that everything was subject to satisfaction of final amendments and drew the attention of the Committee to page 6 and the proposed unmodified opinion. In terms of the Annual Audit she referred to the key messages on page 4 and focused on part 1 of the document which included all the work done on the annual accounts and the impact of COVID-19.

The Chair welcomed the report as simple and easy to understand and commented that it gave a clear direction on what the IJB should be looking to achieve the following year, with marker points and milestones to that achievement. She thanked Mrs Woolman and her team for pulling the report together whilst also recognising the difficulties that Audit Scotland would have experienced due to the pandemic.

Mr Jim Wilson echoed the Chairs comments and on the quality of the report and the appendix and suggested the Committee look at its standing items of business moving forward.

Mr Rob McCulloch-Graham offered his thanks to Audit Scotland for their interaction with the partnership in the preparation of their report.

Mrs Jill Stacey referred to paragraph 44 and the potential for the role of the IJB to be overstated. Mrs Woolman commented that the observations were fair given the level of reliance on partners and key systems of control and conduct. She reminded the Committee that the IJB was constituted as a separate body and was responsible for the commissioning of

some £200m of services. She suggested he IJB would not be immune by association should anything go wrong.

Mr McCulloch-Graham recorded his thanks to Mr McMenemy and recognised the points raised by Mrs Woolman. He commented that the partnership was in a better position than in the past and an infrastructure would be put in place and his role would move to more commissioning than operational in the near future.

Cllr John Greenwell commented that paragraph 43 referred to reserves and he enquired if they would be in jeopardy if as Mr McMenemy had eluded to earlier the Scottish Government clawed back brokerage funding from NHS Borders. Mr McMenemy advised that it was currently unknown as to whether that potential risk would materialise.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** accepted the report and management letter.

6. Any Other Business

The Chair confirmed that none had been notified.

7. Date and Time of Next Meeting

The Chair confirmed that the next meeting of the Scottish Borders Health and Social Care Integration Joint Board Audit Committee would be held on Monday 7 December 2020 at 2.00pm via MS Teams.

Signature:
Chair